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The Amendment Act was put into operation only in August and as such there has not been much time or opportunity to observe how this particular section has worked, whether it has worked satisfactorily or not. The proposed amendment seeks to oust a chairman or vice-chairman from office only when the motion has the support of two-thirds of the sanctioned strength of the council. Any way, it is too early to have any amendment unless the Amendment Act is in operation for some time longer."

* The hon. the PRESIDENT:—"The question is that leave be granted to Mr. C. Kolanda Reddi to introduce a Bill to amend the Madras District Municipalities (Amendment) Act X of 1930."

The motion was lost.

III.—RESOLUTIONS ON MATTERS OF GENERAL PUBLIC INTEREST.

Diwan Bahadur R. N. AROGYASWAMI MUDALIYAR:—"Mr. President, with your permission, I propose that resolutions 1 to 13 in the list of resolutions be postponed until after resolution No. 14 has been disposed of."

Mr. K. R. VENKATARAMA AYYAR:—"I second it."

The motion was put and carried.

RECOMMENDATIONS OF THE ECONOMIC ENQUIRY COMMITTEE.

* Mr. C. INDRAIAH CHOUDARI:—"Mr. President, I move the resolution standing in my name:

'*This Council recommends to the Government that the recommendations of the Economic Enquiry Committee constituted as per G.O. No. 385, dated 23rd February 1929, be accepted and put into force immediately and the proposals for the enhancement of assessments should not be given effect to in the districts of Godavari West, Godavari East and Kistna.*'

"In moving the above resolution, I have to state a few facts for the information of this House. The last resettlement took place in these three districts in the year 1899; and as resettlement is only made every thirty years, it was due in the year 1929. Preliminary to the resettlement, the economic and the agricultural conditions of these districts had to be surveyed. Accordingly Mr. B. G. Holdsworth was appointed as Special Settlement Officer with a view to make a survey of the economic conditions of these districts. Aided by a special staff, he made a survey of the economic conditions in these three districts and submitted his report to Government. Sir, at the instance of Mr. D. Narayana Raju, an ex-Member of this Council, a resolution was passed by this Council urging the appointment of a committee for investigating into the economic conditions of these districts and recommending that pending that enquiry the resettlement proposals should be kept in abeyance. That was on the 28th November 1928. In pursuance of the resolution

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passed by this House, a Committee was appointed consisting of seven Members of this hon. House and they were:

Mr. B. Venkataratnam,
Mr. D. Narayana Raju,
Mr. T. M. Narayanaswami Pillai,
Diwan Bahadur P. C. Ethirajulu Nayudu,
Mr. K. V. R. Swami,

Mr. B. Ramachandra Reddi, and
Diwan Bahadur R. N. Arogyaswami Mudaliyar,

the last named being the President of the committee. In pursuance of G.O. No. 385, the committee entered upon its labours in the month of April 1929 and within the limited time at their disposal, the members of the committee toured through these districts a number of times, studied conditions both economic and agricultural and collected firsthand evidence after examining a number of witnesses. They based their report on the material they had thus collected and they drafted and submitted their report to the Government. The committee have pointed out that the report of the Special Officer was superficial and faulty in several respects. Errors have been pointed out and borne out by facts and figures and by citation of authorities. The Special Settlement Officer has not taken into consideration several important factors in his report. He has not, for instance, taken note of the rise in wages, rise in the cost of agricultural implements, cattle and several other things. The officer's report is to a large extent based on the information furnished by the village karnams and other village officers. It has not been based on direct evidence. No provision was made in the report of the officer for the subsistence of the farmer. No allowance was made for losses on account of the destruction of crops by pests. The pests destroyed one-eighth of the produce in normal years and in bad years nearly a quarter of the produce has fallen a prey to their depredations. The allowances made by the Special Officer under the head 'Vicissitudes of Season and Uncultivable areas' are hardly adequate and there are also several important omissions. The Special Officer has failed to take notice of the cost of agricultural improvements and expenses incurred annually in connexion therewith. His report is based on a system of averages and it is often misleading and inaccurate.

12-15 p.m.

"The various errors in the Special Settlement Officer's report have been exhaustively pointed out by the members of the Economic Enquiry Committee and I do not like to repeat here what has been pointed out by the members in their report. The report of the committee is thorough and exhaustive in all its aspects. This report was submitted to the Government by the members of the committee and the Government in its turn forwarded this report to the Board of Revenue which in its turn forwarded it to the Special Settlement Officer for his remarks. We find and it is but natural that he upholds the findings of his report and he finds fault with the various findings of the Economic Enquiry Committee. The Board of Revenue in its Proceedings No. 2820,

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dated the 29th September 1930, examines the report paragraph by paragraph and sums up its observations at page 12 by saying: 'It is the emphatic opinion of the Board that the proposals in the scheme report are based on sound grounds and that there is every justification for introducing the rates proposed therein without further delay'. The question is whether there is any justification under the present economic conditions for introducing the new rates proposed by the Special Settlement Officer. The Settlement Officer proposed an enhancement of 18¾ per cent over the existing rates. If we take into consideration the existing condition of the ryots at present we see all round there is economic depression and the prices of agricultural products have fallen down considerably by more than 50 per cent. The rental values have also fallen down and wherever we go we see the economic indebtedness of the ryot who is mostly in want. There is also distress among the agricultural classes and the existing conditions of the ryot do not warrant any justification for introducing the new rates now. That the economic condition of the ryots is bad is borne out by the observations made by His Excellency in his opening speech on the 18th November in his address to this Council. I would like to repeat the observations of His Excellency on this occasion: His Excellency says:

'The first is the world-wide trade depression whch has accompanied a rapid fall in wholesale prices and particularly in prices of agricultural and other primary products.'

"Later on he observes:

'It is to be feared that this fall will continue probably in an increasing degree, for although political conditions may have improved, the effects of the fall in prices of agricultural produce have yet to be experienced in their greatest intensity owing to the fact that the fall has occurred very largely subsequent to the marketing of the last harvests, and we have therefore to face the possibility that the agricultural population will only experience the worst of the depression when the time comes to harvest the crops which are now on the ground.'

"So it is clear that the present conditions of the ryots do not justify the introduction of these new rates at this stage. It is the ryot population that forms the backbone of the country and on the prosperity of the ryots depends the prosperity of the country and therefore it is the duty of the Government to see to the welfare and prosperity of the agricultural population. The ryots are already overburdened with the taxation of the previous settlement when there was an enhancement of thirty per cent and the ryots now are not in a position to pay even the existing kists. With these remarks I formally move the resolution."

Mr. Abdul Hameed Khan:—"I second it."

* Diwan Bahadur R. N. Arogyaswami Mudaliyar:—"I propose the amendment standing in my name which runs as follows:—

'For *all the words after the word* "*Government*" *in line* 1 substitute *the words* "*that, with reference to the recommendations of the Economic Enquiry Committe, the proposed resettlement in Kistna, and East and West Godavari districts, be not given effect to*".'

"Mr. President, I must ask your indulgence, Sir, and the indulgence of this House to the remarks that I shall have to make to rebut the

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many statements, remarks and opinions advanced by the Special Settlement Officer in his note, dated the 11th April 1930, criticizing the report of the Economic Enquiry Committee. This note, Sir, you will observe covers practically 50 printed foolscap pages and it is necessary, Sir, that I should take this opportunity, possibly the only opportunity the House will have of rebutting the many remarks and arguments advanced by the Special Settlement Officer and by the Board of Revenue in the note that I have referred to. I shall not, however, Sir, take up the time of the House by referring unnecessarily to all the points that have already been dealt with by the Economic Enquiry Committee in its report and I shall confine myself as far as possible to dealing with particular remarks of the Special Settlement Officer in the note that I have referred to and to other cardinal and important points so as to illustrate the arguments that we have already advanced and to rebut the arguments of the Special Settlement Officer and the Board of Revenue. I shall not refer in detail to the principles of the settlement. These have already been explained in the committee's report. But there is one point, Sir, that I must lay special emphasis on. Considering the manner in which settlements are made there is no provision specifically made for the maintenance of the cultivator in calculating the cost of cultivation. As I have already stated, Sir, I shall have to ask your indulgence for taking up your time and the time of the House for a considerable time. I, therefore, ask for your special permission to enable me to do so. I would draw pointed attention, Sir, to paragraph 13 of the committee's report wherein some of the elements that led to the untrustworthiness of the results arrived at in settlement calculations is explained. Mr. Srinivasa Raghava Ayyangar writes:

'The Madras Settlement Operations, though conducted under elaborate rules resolve themselves in the final result into the simple method adopted in Bombay, firstly, because the minute and extended enquiries which they involve are in most cases impossible to carry out and have frequently been dispensed with; secondly, because none of the data on which reliance has to be placed, such as prices of food grains in former years, are perfectly trustworthy and in some cases information regarding the quotations of prices in the ryots' selling months for the old years are entirely wanting, and thirdly, because the determination of the rates of assessment with reference to a large number of factors, slight errors in regard to which might seriously vitiate the total result, is apt to make the assessments excessive.'

"Then again, Sir, with reference to the question of the maintenance of the cultivator I have already said that in settlements no specific allowance is made for it. Mr. Peddar (vide paragraph 14 of the Economic Enquiry Committee's report) says as follows: 'In the first place the difficulty of determining with accuracy the average yield of land is great; next, the only way of finding the average cost of cultivation is to ascertain what it would cost to cultivate a given holding by hired labour, and as this labour would be needed only for a certain number of weeks, or months, it is obvious that nothing would be allowed as wage for the subsistence of the cultivator and his family during the rest of the year. As the House is aware, Sir, in settlement calculations Government takes half the net. That is after calculating the gross outturn certain deductions are made and the net outturn is calculated at what they call the commutation price and half the net is taken by

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the State. The ryot is supposed to live on the other half. I may point out this. The Settlement Officers did not care and did not consider whether the ryot can live on the half and my point is that if Government is actuated by the humane policy that is laid down by the Government of India, it is necessary that in matters of settlement provision should be made for the maintenance of the cultivator. Now the Government takes half and says, ' live on the other half if you can '. It practically comes to that.

12-30 p.m.

" As a matter of fact, Sir, the Settlement Officer in paragraph 4 of his note, page 15, says that the Government's half share is a constantly decreasing fraction of the net, while the half balance that is left is a constantly increasing factor. Of course, this is begging the whole question. I think he is not right in making such a statement in the very beginning, and I hope, as I proceed, to be able to prove that this remark is entirely wrong. He also says that it is unnecessary for him to embark on calculations of such a very debatable point as the expenses of cultivation. It is no surprise to me, Sir, that he did not choose to go into the details of this very important question, for if he had done so, he would have been forced to come to conclusions very unfavourable to the resettlement proposals altogether.

" Then, turning to his remarks in paragraph 4 of his note, page 16, he refers to questions of standard outturn, and I shall refer briefly to that question. But, before proceeding, Sir, I shall deal with the question of the allowances made for the vicissitudes of the seasons and so forth. Considering firstly the question of rainfall, the Settlement Officer has stated that the committee has chosen the period 1890 to 1899, and he wonders why a later period has not been taken into consideration. The fact is, as the committee has pointed out, that the general characteristics of rainfall during any of these periods have not changed either in point of totals or of its distribution; so that for the reason that the committee pointed out, it did not matter a bit what period of ten years it took up for detailed consideration. It so happened that they had to take up the question of dealing with the rainfall at the last moment, and the committee had no details before them at the time for other periods. However, for the reason explained, it does not matter a bit what period was taken at all. The Settlement Officer has given no reasons to rebut the arguments advanced by the committee that a detailed consideration of the incidence of rainfall during this ten-year period shows that five years were bad and that even during the other years owing to the bad distribution of rainfall the conditions were not favourable. For instance, during a part of a year there was drought, and in another part of the year there was very heavy rainfall, so that if you consider the totality of the rainfall, the features of distribution that affect cultivation are not at all brought out. So, I think the Settlement Officer has made out no case at all against the arguments of the committee. I do not think I need take notice of the remarks that he has made about the year 1924 as the year in which they made calculations about standard outturn; because if they did, I find there are two points about the year 1924. There were fairly heavy rains in the delta in October 1924, but there were no upland floods. The other fact that has

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to be taken into consideration is this: during the year 1924, which was the year before the last settlement was made, the extent of cultivation in the delta was so small that the low areas bordering the drains were not then under cultivation, with the result that even if you had heavy rains—as pointed out by the Special Settlement Officer in regard to 1894 when there was heavy rain—cultivation would not have been damaged at all.

" With reference to the remark of the committee that no allowance was made under cultivation expenses for loss due to delay in transplantation, the Settlement Officer passes over the figures that we have given for these delays in transplantation, which are inevitable in the deltas on account of the present state of water-supply. We have quoted figures from Government's own statistics to prove that transplantation is not done in six weeks after the commencement of freshes, as is made out by the Chief Engineer in his note. It never takes place in six weeks. We have quoted figures to show that not only transplantation is not completed by August, but as I will show later on under irrigation, a considerable area is actually transplanted in the month of September and sometimes a small part is also transplanted in October. It is certainly the universal opinion among ryots that the best produce is obtained if transplantation is made in June with clear water, which seldom takes place; and although very small areas are transplanted in June, the bulk of transplantation takes place in the months of July and August. The belief of the ryots is that every month's delay in transplantation would mean a loss of about two bags of paddy per acre. Our figures are based upon extended enquiries. As you are aware, Sir, everywhere we went into the deltas, we asked the ryots about their estimates, and what we have given in the report as the loss due to delay in transplantation has been based upon our enquiry. The Special Settlement Officer in his note says that this is worth nothing. It is worth this: It shows that Government have nothing to produce against our statement. You know, Sir, and those who come from the deltas know, the scramble for water when it comes. For instance, as soon as water is let into the deltas, the ryots clamour for water. The supply is inadequate to meet the requirements of transplantation. Channel banks are cut and pipes are removed and thrown away, and ryots are in very great hurry to finish transplantation as soon as possible, because of the belief that the earlier the transplantation is completed the greater the yield. On the figures that we have furnished, we calculated that the loss of crop on account of delay in transplantation would alone amount to 8½ per cent of the normal outturn. The House is aware that the allowance in the deltas for vicissitudes of seasons is only about 10 per cent, whereas this one item alone would mean a loss of 8½ per cent.

" Then, we have referred in our report to the loss due to insect and other pests. We have produced our authorities. Government have got nothing to say against it. They simply pass over it and say that it is covered by the general allowance. Take the case of the rat pest, on which the ryots incur a large expenditure on the destruction of rats. We have given figures there for work in connexion with these and other

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pests. The point is that neither in the cultivation expenses schedule nor anywhere else in the matter of deductions have Settlement Officers made by any deduction for losses due to the several kinds of pests.

" Then, Sir, the Committee has also pointed out that there are very extensive areas of what the Revenue Department calls 'current fallows' in all these districts. The Special Officer says that our figures are not quite correct and that we have included certain zamindari areas. I find that we have actually made some mistake. But the mistake would only affect our figures to the extent of one-third. Now, Sir, we have claimed that the total extent of current fallows in the three districts would be a little over six lakhs of acres. Supposing, Sir, we deduct one-third, which I find is about the figure for the zamindari areas wrongly included—we are not responsible for the mistake pointed out by the Settlement Officer as we followed Benson's Statistical Atlas—it will still leave about four lakhs of acres. As we have pointed out, the Government is collecting about a rupee an acre of these current fallows. It means that on all these areas on which the ryots get absolutely nothing, the Government is making a profit of Rs. 4 lakhs. Now, this kind of current fallows has been referred to previously also by other people who had to deal with the question. For instance, Mr. Srinivasaraghava Ayyangar in his memorandum, from which we have frequently quoted in our report, has already referred to the question of current fallows. So far as I can see, the Government has taken no action on this matter. If only they would make deductions under vicissitudes of the season for this item, it means Government will have to make such a reduction in rates as will compensate for the loss to the ryot to the extent of Rs. 4 lakhs a year. The Special Officer, as a criticism of our remarks concerning current fallows, says that the ryot had some profit by grass, trees and so forth. Of course, we know very well, and my hon. Friends from the Circars know particularly well, that on most of these areas nothing will grow, and it is for this reason that the ryot leaves it fallow, so that in a year or two the land might acquire some fertility. These are lands on which the ryot cannot raise a crop every year. He leaves them to lie fallow so that they can acquire some fertility. Now, Sir, to say that the ryot grows trees and gets grass from these lands is absurd in my opinion as the Director of Agriculture says in another connection. My point, Sir, is that on account of the fact that the Government do not take into account these current fallows, and have failed to provide for this in the settlement calculations under 'uncultivable areas', their 'deductions' are totally inadequate.

12-45 p m

" Another important point mentioned in the Committee's report is that, instead of following the humane policy laid down by the Government of India with reference to the question of ryots' improvements and granting necessary and suitable abatements either in the way of deferring collection of revenue or of collecting only favourable rates from such ryots, the Government ignore the fact that a ryot who brings his land under cultivation must necessarily have incurred a fairly large

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amount of capital expenditure. To illustrate my point I shall only refer to the Muniyeru area, although of course I can refer to many other instances. The Muniyeru area has undulating ups and downs and in bringing the lands there under cultivation the ryots have incurred a considerable amount of capital expenditure. Now, the question, Sir, is this. Do or do not these cases of improvement come under the pronouncement of the Government of India? I feel sure that it was the intention of the Government of India that these improvements—in fact all improvements to bring lands under cultivation or to improve their irrigability and so on on which the ryot has had to incur capital expenditure—must be given such consideration as will enable him to recoup the expenditure that he has incurred from the produce of a certain number of years for which he gets a rebate. In fact, in one of the despatches it has been stated that these rebates should be so proportioned that the ryots may be enabled in a number of years, say three, four or five, to recoup the capital expenditure they have incurred. But, Sir, at the hands of this Government, that matter has so far received no consideration. Take for instance the 'parra' lands in the Godavari. Extensive areas have been brought under wet cultivation there since the last resettlement. Now, these lands cannot be brought under cultivation until they are bunded. You have got to shut out the salt water. You have got to prevent them being submerged on account of the high water in the drains adjoining. All these mean a considerable amount of expenditure in bunding. Then, Sir, take the case of the lands which are not irrigable. It may be that they are about a couple of feet above the commandable level of the channel. The ryot lowers his lands in order to bring them under cultivation. At that stage you cannot turn round and say: 'You have done this on your own account. We are only collecting the usual assesement.' I think it is only fair, in consideration of the views expressed by the Government of India and on general considerations of fairness that a rebate in some form or other, either in the way of a deduction in cultivation expenses or a rebate of assessment for a few years or in some other form, should be given to the ryot for his improvements. I think the House will agree with me that it is perfectly fair that it should be done.

" Sir, I have already referred to the question of delay in transplantation. Hon. Members who come from the districts I am referring to, are aware of the fact that during the irrigation season, practically year after year, enormous volumes of water go to waste into the sea as the canals are in a position only to take up a certain quantity of water. I have shown that this quantity is certainly not enough to meet the demands. Of course the Government have fixed certain standards. But my point is that, in view of the fact particularly that cultivation has been expanding enormously since the days when the canals were originally built, these supplies and these standards are inadequate to meet the present demands. As I have already shown, for this reason, particularly in the years when the rainfall is inadequate in the early

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part of the season, there is a tremendous scramble for water, and the ryots everywhere believe that on account of the present inadequacy of water for transplantation purposes, they are incurring losses which can be avoided. I too think, Sir, that these losses can be avoided; because, I believe that with a very small expenditure, much more water now going down into the sea can be turned into the canals and given to the ryots.

"The Committee has remarked, Sir, that while it considers that generally the supplies in the Godavari Central and Eastern deltas are satisfactory, the conditions of supply in the Godavari Western delta are certainly unsatisfactory. And I think, Sir, that it will be impossible to controvert that statement. I find here that the Chief Engineer referring to the question of supplies to the first crop season in Godavari Western delta has stated that in some years the Rallamadugu and Yerracalva will supplement the canal supplies. I think the remark is absurd, perfectly absurd. If the ryots are to depend upon the water carried down by upland streams like Rallamadugu and Yerracalava, I think the Government can close down their irrigation system altogether. But apart from that I think it must appeal to every man of commonsense that these comparatively small streams cannot bring down any appreciable quantity of water to supply irrigation to such an enormous area as the one now under cultivation in the Godavari Western delta. These streams are notoriously precarious in their supplies. Even after the floods, the next day they are empty and certainly, Sir, you do not expect the ryots to be satisfied with water from jungle streams that run to-day, but are dry to-morrow. I think, Sir, as I said, that the statistics collected of the existing duties during the early months of the year prove conclusively that the supplies are inadequate, and I think, no man, not even the Chief Engineer, can dare to say that these figures show that the supply is adequate, as he tries to make out that the duty in July was 90. By statistics of discharges obtained from the Public Works Department, the Committee has proved in August 82, and in September 85 whereas the ordinary duty taken for non-transplanation purposes is 70. How can they argue that even 70 is sufficient for transplantation purposes. Of course, I am speaking as an old Public Works Department officer. It is usual to speak of two kinds of supplies, the 'full' supply and what we call the 'maximum capacity' supply. In extraordinary times we do not stick to the ordinary supplies. We allow much more than the full supplies. Of course it may be that in these cases it is not possible to do so, but that is exactly the point the Committee has made. They ask whether it is not possible to make the canals capable of carrying excess supplies so that transplantation may not be delayed and the ryots made safe from the loss that they are now incurring on account of the delay in transplantation.

"The Committee has also remarked that although higher shutters, six feet shutters, have been installed on the Kistna anicut, in the year 1925 I think, the state of supply, from the figures furnished to us by

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the Executive Engineer of the division shows that it is not altogether quite satisfactory. Of course it is not as bad as in the Godavari Western delta ; so that we have indicated that the matter may be examined, because, Sir, speaking from personal knowledge, I know that there is very great difficulty in making the Eastern delta head sluices of the Kistna carry more water. I leave it at that in the hope that the Government will enquire into that also.

"Then, Sir, the Committee has referred to the question of the inadequate capacity of the drains. I need not repeat the details as the Committee has already noted in the report concerning the method adopted for designing these drains. They calculate the maximum rainfall in 24 hours, divide it by six, calculating the sections for one-sixth rainfall and then take a third of this section as what they call 'a tentative section'. Now, I appeal to the commonsense of the House, of course I am speaking as an Engineer myself, whether such a thing is likely to be satisfactory. It was excusable in the old days as a tentative measure. It has always been called 'a tentative section', because in the old days the low areas adjoining the drains were not under cultivation. But now, Sir, every acre, every cent of land has been brought under cultivation. You are deriving revenue from them. With regard to them, all that we are asking is that the original methods adopted for designing the drains may be reconsidered. In reply the Chief Engineer writes that the observations made in regard to the Gonteru drain in the Godavari Western delta show clearly that no improvements are required. I wish that he gave some more information on the point. Supposing that in the Gonteru drain the state of things is found to be satisfactory ; it does not follow that that is the case in all other drains. Then he goes on to give an explanation of 'the tentative sections' and concludes by saying that certain low areas are affected here and there. Well I do not know what he means by 'here and there'. I think it may be much more than 'here and there'. He says again: 'But on the whole, there is no submersion on a large scale for such periods as are likely to injure the paddy crops.' But our enquiries everywhere in the villages showed that in the case of all villages adjoining these drains there is submersion and damage. In fact, Sir, the point was clearly recognized by Mr. Clarke in the last resettlement report, where he refers to the unsatisfactory character of the drains. Now, what has the Government done since the last resettlement? It has carried out certain improvements, I have no doubt, and we have stated so in our report. But the point is that the methods adopted for designing these drains have not been changed up-to-date. I cannot fancy how by any manner of means drains, which were calculated to take not more than one-eighteenth of the flood discharge, could discharge the latter without a considerable amount of damage. 1 p.m.

"Then, Sir, the Chief Engineer goes on and says: The fixing of the second crop zone has solved many of the difficulties referred to and if the ryots will take advantage of the rotation system of closure of channels for second crop and concentrate the area cultivated in that

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season, the difficulties as regards soakage in contiguous lands will be removed '. It is all very nice for the Government to say that ' if the ryots will take advantage . . . ., etc., for second crop ' and so on. But that is not what the ryot wants. Unless it was proved that the land was so situated that first crop cultivation was impossible, he always prefers first crop. So it is no solution to say that if your lands are damaged in the first crop season, we will transfer it into second crop zone and so on.

"Then, Sir, the Committee raised the question of the upland drainage. As you are aware, Sir—you were a distinguished Member of the Committee yourself—considerable areas of uplands drain into the delta. Some very big streams—in fact they must be called rivers—run into the delta and discharge their floods before the water runs into the sea. Before I take up the Yerracalava, I shall quote what the Chief Engineer says about delta drains. He states ' The tentative section adopted for clearance is with a view to prevent silting during times of low flow which occurs for long periods, while the flood flow which occasionally occurs during rains spills freely on both sides and is fairly rapidly discharged into the sea '. The Chief Engineer says ' fairly rapidy into the sea '. I do not know what is meant by fairly rapidly. We want them to discharge rapidly and not fairly rapidly. As I pointed out, these drains on account of their designs cannot discharge their water rapidly ; and then with regard to ' spilling freely on both sides ', which is claimed as a merit by the Chief Engineer, may I say that this is the very thing the ryots object to. There is too much freedom in spilling, and not enough flow into the sea. But with reference to the Yerracalava I will read the Chief Engineer's remarks. He says: ' The floods due to Yerracalava are disposed of by the Yenamadurru drain which has been improved recently at a cost of 10 lakhs. A regulator will have to be constructed for shutting out the floods from entering the Venkayya and Weyyeru canal and when this is done, there will be no difficulty as regards Yerracalava floods doing damage to the delta '. I am not prepared to accept this statement, Sir, because, the remarks that he makes have not been made as a result of careful enquiries made in these very areas. The improvements of the Yenamanadurru drain only touch the lower parts of the drain and I do not see how the upper part of the drain and the area that will be damaged by it will be benefited by the improvement of the lower part of the drain. But the point is the Government have not chosen to place all their cards on the table of the House so that we may say whether certain improvements which have been carried to the Yanamadurru drain have been carried out in such a way as to make the drain discharge its floods into the sea without any damage to the delta. I should like to see what are the calculations that have been adopted in the case of the upland floods, and what is the flood volume that is allowed into the delta. If that information had been given we should have been in a position to know whether the widening of the Yenamadurru drain was really going to meet the difficulty.

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"To save time I must omit the minor remarks and objections of the Settlement Officer. For instance his remarks with reference to cultivation and population are not very material. There is one point however under communications that I must refer to. The Committee pointed out that Mr. Srinivasaraghava Ayyangar in his memorandum noted that the cess that was collected for roads was intended to come out of the Government's share of half the net. He said that it was not intended that it should be taken out of the ryots' share. This statement made about 1890 has remained unchallenged up-to-date. Now the Settlement Officer calls Mr. Srinivasa Ayyangar's remarks a 'historical error' and so on. I should like to know why if the statement he made was wrong, the Government have left it unchallenged for so many years. Mr. Ayyangar's book was published under the authority of Government. Government has not chosen to place all the correspondence and the papers relating to this subject on the table of the House. I shall say nothing more on this matter and I leave it at that.

"Then, Sir, coming to the agricultural statistics, I will omit unimportant points. But the Committee after calculating the general details which are furnished in the report came to the conclusion that the supply of fodder was totally inadequate. It has to refer to this question for this one very important reason: the House is aware that in settlement calculations for the cost of cultivation the Settlement Officers have orders not to make any provision for fodder for cattle. The argument is that as Government does not put on the profit side the value of fodder produced it does not want to provide for fodder on the expenditure side. But the case assumes a different aspect if once—as the Committee has succeeded in proving and I shall show presently that the Government have not rebutted the argument—it is proved that the supply of fodder is so totally insufficient that the ryot not only in the matter of dry fodder but also in the matter of concentrated food has to incur additional expenditure. I shall come later to the question of concentrated food, but now I shall deal with the question of dry fodder alone or green fodder. The figures with reference to these are somewhat as follows:—The areas under cultivation throughout these districts—I mean the areas with which the Settlement Parties were concerned and not the zamindari and other areas—are somewhere about $1\frac{1}{2}$ million acres. But the Committee took 1,500 lb. as the outturn of fodder on an average for all kinds of cultivation. If you turn to the note furnished by the Director of Agriculture you will find that there are three classes, i.e., (1) the paddy area in the first and the second crop, (2) the area under cereals, and (3) the area under pulses. The Committee has taken on an average about 1,500 lb. as the yield per acre; but the Director of Agriculture takes 2,240 lb. in the case of paddy, half of that amount in the case of cereals and one-fourth of that amount in the case of pulses.

"On these principles the Committee's estimates of the amount of fodder available in the Kistna and West Godavari districts are 1,400 million lb. The Director's estimate is 1,192 million lb. So there

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is not much difference between these two estimates. The Settlement Officer's estimate is about 1,250 million lb. Our estimates of the supply available in the Kistna and West Godavari districts were 675 million lb. The estimate of the Director of Agriculture is 909 million lb. As against these officers' estimates, the Committee's estimates of the requirements of cattle are 9,000 million lb. The Committee took 15,000 lb. as the fodder requirements per head per annum; whereas the Settlement Officer and the Board take it as 5,600 lb. per head per annum. Our estimates were based on the figures we found in the agricultural handbook published by one of the former Directors of Agriculture. Therein are shown the figures—as found by actual experience—regarding the quantity required for feeding cattle at Saidapet and Coimbatore. This estimate for Saidapet is about 100 lb. of dry fodder per day for a pair of cattle in addition to concentrated foods; i.e., 50 lb. per day per unit. The Coimbatore figure is also the same. I would invite reference to pages 101 and 102 of the Agricultural Handbook. At the rate of 100 lb. per day, it means 36,000 lb. per annum for a pair or 18,000 lb. per cattle unit. But we have taken 15,000 lb. as the requirements per annum for a cattle unit. The Settlement Officer adopts the figure furnished by the Director of Agriculture, i.e., 5,600 lb. as the requirements of dry fodder. Most of the ryots are accustomed to extra feeding of the cattle in addition besides dry fodder. I am inclined to believe that the Director's estimate of 5,600 lb. of dry fodder is exclusive of concentrated foods; because I cannot imagine, Sir, that it would be possible to feed a bull, for instance, at 5,600 lb. of dry fodder per annum. So I still think that the Committee's estimates of requirements for the Kistna and West Godavari districts of 9,000 million lb. are perfectly accurate. If we adopt the Committee's estimate of supply available, the quantity that is actually available is one-sixth of the quantity that is required for cattle feeding. Similar remarks would apply to the corresponding figures with regard to East Godavari district which I have referred to already. Of course I was referring to the total inadequacy of the fodder available. If the total fodder supply available is so inadequate as the Committee admits, the ryot has to incur expenditure necessarily on fodder. The Settlement Officer has referred in his remarks to green fodder, apart from cereals, pulses, etc., which have already been taken into consideration. He refers, for instance, to sun-hemp and green fodder, etc. I do not think that the Government can claim any credit for these figures, because the ryot has to incur expenditure on seeds, harvest, and conveyance for which he gets no return. It means expenditure for him and he gets no return out of them. Because the supply of other fodder is not adequate, the ryot has to incur further expenditure for green fodder. This expenditure must come as an item of cultivation expenses rather than as an item of his income.

"It is a surprise to me that the Settlement Officer has repeated the remarks that are found in the original settlement report, viz., that it is a matter of common knowledge that the ryot never gives any extra feeding. I am thoroughly surprised that an experienced Revenue Officer who

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must have come into contact with ryots in many villages for years, should make such a statement, that the ryot does not incur any expenditure on extra fodder. You can ask any ryot; he will give you the correct information. Working animals can never work without extra fodder. You cannot feed a pair of working bulls on paddy straw only when they have to work strenously for three or four months at least. I am sure that those acquainted with the condition of the deltas are aware of the amount of hard work cattle are put to during this short period. As a matter of fact cattle are not able to stand the strain of this hard work and many cattle die on account of hard work. Very often, in spite of extra feeding cattle become so useless that they have to be disposed of at the end of the transplantation season. This is the universal practice. It is inevitable that the ryot should give extra feeding; so he must be given credit for this expenditure in the schedule of cultivation expenses. The Settlement Officer says that the yield of fodder is quite sufficient to feed his cattle so that it is not necessary that any allowance should be made for cattle feeding.

" I shall now refer to the remarks of the Settlement Officer on the question of land values."

IV.—ELECTION OF MEMBERS TO THE BOARD OF INDUSTRIES.

* The hon. the PRESIDENT :—" I have to announce that, out of the three duly nominated candidates for election to the Board of Industries, Mr. H. M. Jagannatham has withdrawn his candidature and that the remaining two candidates, viz., Mr. Yakub Hasan and the Zamindar of Mirzapuram have been declared duly elected."

The House then adjourned for lunch.

After lunch (2-30 p.m.)

III.—RESOLUTIONS ON MATTERS OF GENERAL PUBLIC INTEREST—*cont.*

RECOMMENDATIONS OF THE ECONOMIC ENQUIRY COMMITTEE—*cont.*

* The hon. the PRESIDENT :—" Diwan Bahadur Arogyaswami Mudaliyar will now resume his speech. I hope the hon. Member will try to make his speech as short as possible."

* Diwan Bahadur R. N. AROGYASWAMI MUDALIYAR :—" I shall do my best, Sir.

" Concerning the standard outturn, Sir, the Committee's contention is that it is practically impossible to get an authoritative set of details to establish conclusively what the standard of proper outturn is in various classes of lands, in various localities, in various seasons, in various years, and so forth. I would draw the attention of the House to the remarks quoted by Sir Arthur Colvin regarding the North-West Provinces settlement, wherein the Settlement Officer has shown conclusively that

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following the methods ordinarily adopted, it was impossible to arrive at a set of authoritative data. I won't press that matter further, Sir; I would leave it at that.

"The Settlement Officer in his remarks on the Committee's report quotes the Land Acquisition Officer's figures or statements made to him by ryots as to outturns. Without a detailed examination, I am not in a position to offer any remarks thereon; but on the face of it, Sir, these outturns look absurd. You cannot get thirty bags an acre even at Samalkot, where irrigation is carried on under the most ideal conditions possible. I do not think they can ever get there an outturn of more than twenty-two bags per acre. I think the figures of the Land Acquisition Officer quoted, are worth nothing.

"Concerning land values, Sir, the Government case is that there has been a steady and large increase in land values since the period of the last resettlement. In this connexion, Sir, I would draw the attention of the House to the remarks made by the Special Commissioners appointed by the Government of Bombay to examine the resettlement proposals of Mr. Jayakar with reference to the Bardoli and Chorasi taluks. They are contained in paragraph 100 of the Committee's report, and I need not read them out to the House. The Committee has also dealt with the fact that a mere enumeration of land values as taken from documents is worth nothing, as has been pointed out in the case of the Bardoli resettlement. There are so many factors affecting land values, that unless the documents are examined in the presence of the ryots and the several circumstances affecting the prices are gone into in detail, the mere enumeration of land values is worth nothing. In fact, that is the very wording of the Bombay Commissioners. The Committee however is aware that on the whole land values have gone up. Therefore, it is not a matter for surprise that, considering the series of boom years that we have gone through following the war when prices of paddy went up by leaps and bounds—prices going up even to about 300 per cent over the previous resettlement rates—land values also should have gone up. But to apply land values obtained in a year of boom price of paddy as an argument for increasing the rates in resettlement and for determining the rates for a period of thirty years to follow hereafter is, I think, absurd. There is no chance or probability—and certainly not a certainty—that these high prices will obtain any longer. In fact, the Committee in the course of its enquiries found that in many cases land values have dropped with the dropping prices and in many other cases, land was awaiting sale and there were no buyers.

"Similar remarks, Sir, apply to the conclusions drawn by the Special Settlement Officer in his enumeration of lease values. A mere enumeration of lease values taken from documents means nothing at all. As I say, the remarks that I made concerning land values apply equally to these, because there are so many varying factors entering into these leases determining the lease amounts, that unless these leases and the conditions pertaining to them are examined in detail in the villages and the villagers are questioned

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concerning these, no conclusions regarding returns from lands can be drawn. The Committee, in paragraph 110 of Volume I of its report, has called attention to the remarks of the Commissioners of Bombay, Messrs. Broomsfield and Maxwell, concerning the Bardoli resettlement. The Commissioners came to the conclusion that the Settlement Officer Mr. Jayakar's lease figures were absolutely unreliable; and just as in the case of Madras, Mr. Jayakar has contented himself with a mere enumeration of lease values without considering the varying factors that affect them, to which I have just now referred, and on which the Committee lays special emphasis in the report. In fact the Special Settlement Officer appears to be under a confusion between lease values and rentals. As remarked by Mr. Anderson, the Settlement Commissioner of Bombay—and this is the thing on which the Bombay Government are basing their actions—'Rental value is a sublimation or abstraction from actual rents of all sorts.' Rental value is not equivalent to lease value, and I think, Sir, the Settlement Officer has made a fundamental mistake in taking lease values as equivalent to rental values.

"Then, Sir, as to the point that these lease values give an indication of the profits of cultivation, may I point out that the practice in the deltas is not to lease lands as a rule? It is only a very small fraction of the delta area that is leased at all; and in fact, the Settlement Officer himself, in the original settlement report at page 49 says: 'the ryots of these districts mostly do their own cultivation, and it is as a rule only the Brahman, female and absentee owners that lease their lands.' In fact, as admitted by the Settlement Officer, leasing is rather a small exception than the rule, and it will be absurd for the Government to claim to draw any conclusions from these unusual conditions of leasing in regard to outturns and profits. As I say, even the treatment of 'leases' by the Settlement Officer is inconclusive and unsatisfactory.

"Concerning the lessees themselves, Sir, it is interesting to consider that point; because the Committee found that the people who generally take lands on lease are Adi-Andhras, Thurpu Kapus and Setti Baligas. The reason is obvious. In the case of the ordinary agriculturists of those parts, it is only the male members of the family who do either the supervision work or, if they are very poor, work themselves in the fields and their womenkind and children do not do any work at all; whereas, in the case of the classes I have just mentioned, they take up leases and all the members of the family work in the fields. So that, while these leases do not pay the ordinary agriculturists sufficiently, they sometimes pay these poor class people who take lands on leases.

"Then again, Sir, there are various kinds of leases, and I do not want to go into an enumeration of them because the Committee has dealt with them very fully in its report. But the one important point that came out in the course of the enquiries was that the lease amounts were never recovered in full. In fact there were large arrears or debts which were either postponed or not recovered at all. May I call your attention, Sir, to the enquiries that were made at Dommeru where one

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of the big landlords produced to us bundles of sheets of lease bonds which were absolutely useless? He showed us lease after lease, the amounts in which he could not recover. Some of them he had thrown away, and he also told us—and the fact came out at every place during our enquiries—that it is not uncommon among these landlords to enter in the lease bonds amounts higher than the actual amounts which could be recovered. All such lease bonds can therefore be called fictitious. The reason is—and in fact one gentleman actually told us—that the landlord thinks that if the present lessee is not satisfactory, he may get some other man possibly to take it up for a higher figure or something like that. But anyhow, the fact came out that many of these lease bonds were fictitious and that the amounts entered in them were not the actual amounts recovered from the lessees.

"Then, Sir, the fact that the leasing system is now gradually dropping out and the sharing system, i.e., the system of the landlord and the ryot taking half and half of the produce is coming largely into vogue, is a certain indication that the profits of cultivation are going down with the fall in prices.

2-15 p.m. "I am not in a position to offer any remarks in connexion with the land acquisition cases, because it requires a detailed examination and I should not be surprised if on a detailed enquiry into the question it is shown that many of the leases are fictitious and that higher figures are put than the actuals. I therefore refrain from making any remarks because I am not in a position to make a detailed examination of this.

"Then, Sir, I come to the important question of commutation prices, because the fixing of the resettlement rates to a large extent depends upon the commutation prices. I should invite, in this connexion, the attention of the House to the orders of the Government regarding the Madura settlement quoted by Mr. Srinivasaraghava Ayyangar in his memorandum. The order has since been withdrawn by the Government. The order referred to is this: that in considering this question of commutation prices the Settlement Officer was ordered to take the lowest prices prevailing in the twenty years previous. But in the light of remarks that I shall presently offer, it would appear that had that rule remained, it would have been very wise indeed and the Government would not have got themselves into the mess into which they have got by following the absurd proposition of taking the averages of previous twenty years, in a period of rising prices and applying the average as the commutation rate for a subsequent period of thirty years. Now, Sir, it seems to me, that to any man of common sense, this procedure ought to appear absurd. I would, in this connexion, request a perusal of the figures of prices given on page 156, Appendix XV of the original settlement report. It will be noticed that the price in 1903 stood at about Rs. 150 to Rs. 160 a garce, but to-day the price is somewhere about Rs. 140. It will also be noticed that from 1903 or even earlier, right up to 1920 the price had trebled, and since 1921 the prices have been falling. The Committee itself pointed out that it was unreasonable

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to take up a series of years when prices were steadily rising and were indicating abnormal conditions, the continuance of which nobody can foresee or nobody can guarantee. In fact all relevant economic facts were quoted by us in support of Mr. Datta's estimate of what the prices are likely to be. It was obvious to the Committee and they emphasized the fact that from 1912 onwards there was a chance of the prices continuing to rise and that there was no possibility that they would go on rising for ever. As a matter of fact, the figures quoted by the Settlement Officer on page 156, Appendix XV, show that from 1921 onwards the prices have been falling and they fell steadily from Rs. 10-14-0 a bag to the present day price—paddy in the Godavari delta is now selling at Rs. 3-4-0 a bag.

"Now, the Government, in accordance with the settlement rules take the average of the prices of any twenty of the preceding years. Here the Settlement Officer has taken a series of years from 1903 to 1922--23. If the prices had been going up steadily and if Government can guarantee that the prices will go upwards during the thirty years that are to follow, I can see some sense in Government fixing the commutation rate based on prices of the years mentioned here and applying it to the succeeding thirty years. What the Government are doing now is this; they are taking the figures of the very high and abnormal prices obtaining during the twenty-year period I have referred to and are going to apply that commutation rate to all the period that is to follow from now onwards to a series of years, during which I do not know what prices will obtain. The price obtaining now is Rs. 3-4-0 a bag and we do not know if it will go up or it will go down. There is no knowing what is going to happen. The settlement principle of this commutation rate is based on the assumption of a continuous rise in prices, and never dreams of a fall. It assumes that when you take the prices prevailing in a period of twenty years before the expiry of a settlement, the prices will go on increasing further, but when prices fall, the whole structure of the Government's resettlement proposals collapses to the ground like a house of cards. I would like to ask the Government where they stand now when they have adopted the commutation price of Rs. 258 a garce, when to-day the price is about Rs. 140. On the face of it, it is thoroughly absurd. Even at the risk of wearying the House, I would like to draw the attention of the House to the remarks of the Bardoli Commissioners and Mr. Anderson's remarks quoted on page 40 of the Economic Enquiry Report. This is what they wrote:

'Ultimately when Mr. Jaykar (as Settlement Officer of the Bardoli taluk) got to the stage of fixing the rates for his new groups he appears to have had regard to one consideration almost exclusively, namely, increase in the cash value of the main crops due to the rise in prices between 1895—1924.

"I think these remarks will almost apply verbatim to the present case.

'By a rough calculation of areas under different crops and yield per acre he estimated that the assessment if left in kind would have increased in value by 109 per cent in Bardoli and 93 per cent in Chorasi.'

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"Our present Settlement Officer calculates the increase at 119 per cent.

'*Prima facie*, therefore, he suggested the maximum increase of 33 per cent could easily be justified. But he recognized of course that there are two other factors which cannot certainly be ignored, that is to say, the contemporaneous increase in the cost of production and the uncertainty in prices. Admitting that some allowance might be made for these factors and finding, as is only to be expected, that on such lines he had no means of calculating even approximately what the allowance should be, he proposed to reduce the 33 per cent to 25 per cent. He might as well have suggested 20 or 15 or 10, the whole thing being guess work, and as the Settlement Commissioner expresses it in his forwarding report he left "the main door of the fort wide open". One of the main grounds of attack against the present settlement has been that the years 1914 to 1924 were abnormal years, and as we have had the advantage of observing the course of prices for a further period of four years since then, we propose to make a few remarks on that aspect of the subject.'

"The Commissioners then go on and finally they say: 'The price now reached by rice in Bardoli is exactly what it was in 1914'. The price now obtaining in the deltas is about the price that obtained in 1893. They further state: 'So far as the available figures can be relied upon, therefore, they appear to show not only that the high prices prevailing in the decade 1914—1924 were abnormal but further that in case of food-grains at any rate a permanent increase over pre-war prices need not be expected to be very marked. . .'

"I would also draw the attention of the House to Mr. Anderson's remarks in his book 'Facts and Fallacies'. Mr. Anderson (the Settlement Commissioner of Bombay) says:

'The rates for food-grains from 1818 to 1836 fell to only half what they had been in 1800—1818 (a great factor was the rapid increase in cultivation). And hence the ryot suffered when on a fixed cash assessment prices fell. He was caught by the back of the two-edged sword. Soon after the American Civil War, 1862-63, the same phenomenon was repeated. High rates were justly fixed on high prices and rents; but it was forgotten they might fall."

So has the Madras Government forgotten, as the Bombay Government forgot once. He goes on to say:

'We are witnessing the same phenomenon after the Great War of 1914—1918. Prices and rents soared high and are now falling. The rates fixed from 1918 to 1928 have all been just and right on the prices and rents at that time. But they will soon be too high (or higher than intended) because prices seem to be falling; a few more good seasons might ruin the landholders.'

"May I also add that if Government persists in this policy of insisting on Rs. 258 as the commutation rate, the ryots of the districts concerned are certainly going to be ruined. Considering the price that I have already quoted as obtaining at present, the increase over the previous resettlement rate of Rs. 118 per garce is only 21 per cent as against 119 that is claimed by the Settlement Officer. As I say, therefore, if you consider the present price of a garce and the future price of a garce, the whole structure of Government's resettlement proposals must fall to the ground.

"Then, Sir, I will come to another important question, namely, the question of cultivation expenses. Under the settlement rules, I suppose, one can excuse the resettlement officer for not going into details—under the rules he is not bound to go into the details of the cost of

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cultivation—but it seems to me that in view of the catastrophe that I have just mentioned, namely, the serious fall in prices—and one does not know what is going to happen—the Settlement Officer ought to have been more cautious and that it would have been wise if he had gone on into a careful examination of the cost of cultivation. His various excuses are that the question of the cost of cultivation is one of considerable difficulty and that it is an abstraction and so he does not propose to go into the details and so forth.

"But then, Sir, he says that the most careful inquiries he has made go to show that the cultivation expenses per acre could not be more than Rs. 35. I invite your attention, Sir, to the remarks of the Settlement Officer at page 59 of the original resettlement report where he refers to the cultivation cost at Samalkot. He puts it at Rs. 50 to Rs. 60. The Committee found as a matter of fact that it was not Rs. 50 at all. It was Rs. 60 and above. And, Sir, he says that according to the settlement rules the cost of maintenance of bullocks which comes to Rs. 15 ought to be deducted from this figure of Rs. 50. So he puts it at Rs. 35. And I have already shown how the Settlement Officer assumes that the ryot gets enough fodder for his cattle and also a certain surplus of fodder and therefore now it is unnecessary to make any provision for the maintenance of the cattle. I have already shown that assumption is absurd and that as a matter of fact there is a tremendous shortage of fodder and that the ryots are forced to go in for an extra supply of fodder. So that the figure Rs. 35 which the Settlement Officer puts down as the expenditure is in my opinion unsustainable if the figure at Samalkot is Rs. 60. The Committee itself adopted three lines of work in arriving at an estimate of the cost of cultivation. First of all it took the available figures of cultivation at Samalkot and then we got from the ryots what were called *katta* accounts, regular accounts of cultivation which are maintained from year to year and not prepared for the occasion. Thirdly, the Committee undertook an elaborate village inquiry and examined ryots to find out from them their actual cost of cultivation. Now I have already referred to the Samalkot figures. With reference to the *katta* accounts, Sir, I wish to be as brief as possible. But may I draw the attention of the House to the use we have made of the *katta* accounts because the Committee admit that in some ways they are incomplete. And as the Settlement Officer remarks in a sneering manner the Committee had to use its discretion in making suitable omissions and deductions, for in the accounts sometimes private expenditure was entered and sometimes expenditure for sugarcane and other cultivation, which had no connexion with the cultivation of paddy, was entered. I hope, therefore, Government are not going to disbelieve our *bona fides* in our treatment of the material available. I think the Committee has shown clear indications at page 424 and page 450 of the omissions in the cultivation expenses schedules prepared by the Settlement Officer's investigators. The Settlement Officer's investigators have made inquiries with regard to certain data only, invariably, I think according to the settlement instructions. But whatever that may be, they have omitted systematically certain items.

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For instance take the question of *palerus* which is practically the rule everywhere. The settlement party make no allowance for them. Then for the maintenance of cattle and depreciation of cattle they make no allowance. I have already referred to the maintenance of cattle. Of the depreciation of cattle I have dealt at some length several times before in this House. What we found in our tours was that there was a tremendous amount of cattle mortality. Sometimes 50 per cent and 60 per cent of the cattle died. It is the usual practice for the ryots of the district to send their cattle to the uplands of the Nizam's dominions for grazing; and sometimes out of the 300 cattle sent only some 50 or 60 returned back, the rest having died in that short period. We came across such loss of cattle in our tours and I do not know how the ryots can make up for the loss in cattle if you make no allowance for it in the cultivation expenses. And that is why we found it necessary to make allowance for this in our report.

"Then Sir, there is the important question of manure. I wish to refer to it later on in full. But the item of manures has been actually omitted by the Government investigators. These *katta* accounts furnish ample evidence of the fact that the ryot is forced to incur expenditure on these items of which the Settlement Officer took no account. I wish to pass over the *katta* accounts without making any other remark except the fact that they furnish reliable evidence of the fact that the ryot in fact incurs expenditure on several items of which the settlement party never dreamt.

"And now in connexion with the question of cultivation expenses, I have referred to manures, and I do not think I need go into a detailed examination of the figures. The Committee's estimate is based on the assumption that half the number of cattle is sent to the uplands for grazing for half the year. That means one-fourth of the quantity of the manure otherwise available is lost; and for the rest of the period the Committee estimated that the manure available during the day time is lost to the ryot, on account of the fact that the cattle are sent out to graze. But the Settlement Officer contends that this is brought back and converted into fuel. But the point here to be noted is that the ryot does not collect it; anybody may collect it and in fact it is collected by young Panchama children and dried and used as fuel. Thus this does not come into the account of the ryot at all. So, if these points are taken into account, then the Committee's estimate of the available manure is absolutely right. And to make up this deficiency in manure the ryot has to go to chemical manures. For the manure available from the cattle does not amount to even one-tenth of what is required for manuring his land. Besides this many people go to distant places for *patimannu* and bring it by boat and also pig manure, goat manure, etc. Thus you will see that the settlement party do not take any account of these items. I would conclude by referring to the admissions of the Settlement Officer in paragraph 20 of the original resettlement report.

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"Now I will briefly refer to the question of *mamools*. It is a well-known fact that the ryot is, as a matter of fact, giving mamools to village servants like the blacksmith, the carpenter, the potter, the shoemaker and even to Public Works Department officials. Even though, the Settlement Officer sneers at the last item, we find it in fact as an item of expenditure in the accounts of the ryots.

"With reference to the cultivation schedule, the Settlement Officer in his last note makes much capital out of the mistakes he points out. Some of them are obviously clerical errors; and some of them are certainly due to printer's devil; and I may state here that the Committee, even though it did not exist at that time, had no opportunity to go through the proof of Volumes II and III. Anyhow if an opportunity had been given to the Committee, or at least, if the matter had been passed on to me, the ex-President of the Committee, if I may say so, I could have taken the trouble of correcting the mistakes; and then I don't think there would have been any occasion for the Settlement Officer to make capital out of these obviously clerical and printing mistakes.

"The Settlement Officer with reference to the item of cultivation expenses refers to the Banking Enquiry Committee's Report. I have with me here a copy of Volume V of the report containing the investigators' report of villages. I would not trouble the House by reading from this. But one thing is obvious. These investigators are not men trained in finding out the actual cultivation expenses. In fact unless a man knows previously all the items that go to constitute the income and expenditure of a ryot his report cannot be complete. Further we found that the ryots are not able to give out what their real cultivation expense is. In the course of our enquiry we found that although the ryot was incurring expense on several items like the maintenance of cattle, it was only when we asked him 'Do you incur expenditure on such and such an item?' he replies 'Yes.' He does not say that first of all unasked. So I am not surprised to see that several items of cultivation expenses are absent in the investigators' reports, for, as I said, unless one knows these items his report will be incomplete. So I attach no value to the investigators' report of villages of the Banking Enquiry Committee. They have been prepared on so-called 'settlement principles.'

"Then some remarks are made about Professor Ranga's discoveries of certain facts, which the Settlement Officer finds in a small book written by Professor Ranga when he was a fairly young man, and not when he was Secretary of the Committee. I am sure after his experience in the Committee, Professor Ranga is a wiser man and I attach no great value to his remarks made before he knew what items actually come under cultivation expenses.

3-15 p.m.

"According to the figures of the Settlement Officer, it is stated that the Circars Cultivation and Development Company get about Rupees 23,266 on 1,050 acres of land. From this we should infer that the

cultivating ryot must be getting about Rs. 19·3 per acre for his half share. I wonder what this means. Is it possible for any ryot to meet cultivation and live on Rs. 19 per acre or thereabouts? I have never heard anything like it during the whole of our enquiries through the many villages and no one would admit it. If Rs. 19 is taken up for cultivation, then what is the poor ryot to live upon? I indeed wonder how these ryots are getting on and these are the figures that have been furnished as authorities for the Settlement Officer; the Settlement Officer has passed some remarks on the Committee's figures. I would very much like to quote them but they are not complimentary to the Committee. I think, Sir, that there should be something wrong with the Circar Cultivation Development Company's figures.

"Sir, with reference to the cultivation schedule of which the Settlement Officer so much complains in reference to several mistakes, I must say this: the cultivation schedules are not in themselves our authorities. He wishes to make out that, because certain mistakes of a trivial nature have been discovered, arithmetical mistakes, printer's mistakes and so forth, the schedule is worthless. As a matter of fact, you are aware that we started the preparation of the schedule during the last ten days before we submitted our report. It was all done under very high pressure; and I am not surprised that there are some mistakes in it; they are not authorities; they are not our last sheet-anchor so to say. Our findings and conclusions figure in the body of the report and these schedules have been prepared merely to illustrate our conclusions; and they certainly do not represent all that we rely upon. Now, Sir, the Settlement Officer has in his memorandum prepared, what he has called, corrected schedules. This schedule shows under each class of land the profit or rather what remains to the cultivator deducting cultivation expenses. Now, Sir, if we are to refer to the Settlement Officer's revised schedule at page 56 of his note, we find that on the medium scale of expenses practically 76 per cent of the cultivation turns out unprofitable; but supposing he adopted the minimum scales, even then 54 per cent of the cultivation turns out unprofitable. With the price of paddy at Rs. 6-8-0 per bag, about half the number of ryots are not making any profits. That is the result to which the Committee's report drives us. Now, Sir, the prices have been falling and to-day the price per bag of paddy in the Godavari district is Rs. 3-4-0. I will ask what sort of cultivation schedule will now be prepared at this rate. I cannot imagine, Sir, however unsympathetic the Government, how the Government could go on with the resettlement. I cannot believe how a decision arrived at on figures of prices for twenty years of the last three decades, in a period of rising and boom prices could be held to apply to a subsequent period of 30 years, when prices have fallen and there is great economic distress. The absurdity and sheer injustice of applying commutation prices obtained from a series of years of high prices to a subsequent period of low prices has already been referred to. Government cannot do better than follow this course if it wants to ruin the ryots.

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"Now, Sir, I will come to the indebtedness of the agriculturists. The Special Settlement Officer has criticised our figures, and I am afraid that within the time I can take up I cannot adequately meet his points. Passing over to the Settlement Officer's objections, I must refer to the figures that he has quoted from the Banking Enquiry Committee's Report. The Banking Enquiry Committee toured through the northern districts and took three villages in the Godavari delta. I wonder what inferences they can draw from them as regards the conditions prevailing in general in the Northern Circars. In fact, I should not hesitate to say that the selection was very injudicious. The three villages chosen were in Ramachandrapur taluk and are among the most prosperous villages in a prosperous taluk in East and West Godavari put together. If you are going to deal with average conditions of indebtedness you should cover more extended area and try to take more or less average villages and not take the best villages from the Ramachandrapur taluk which is the most prosperous taluk in those parts. And, Sir, what did the investigators of the Banking Enquiry Committee find? Even in such a place they found that the average indebtedness per family was Rs. 685 in *Allamerru*, Rs. 642 in *Peddapalla* and Rs. 367 in *Penikeru*. I think this is bad enough. Our figures are higher than that. It shows a serious state of things. Now, Sir, I must again pass over many of the remarks of the Settlement Officer; but I should not leave the charge of extravagance against the ryot unrebutted. In fact, they are poor and some of them are trying hard even for their very sustenance. It is a thing known to everybody that the Indian ryot is an impecunious individual and has not got enough even to eat. I now ask the hon. Members to refer to Appendix 23 (iv) of our Report, Volume III. This statement shows the financial position of a number of families in the three districts, their debts and the causes for these. We got evidence from 74 ryots in Kistna and their expenditure on marriages and ceremonies was Rupees 47,932; that comes to Rs. 648 per family. It is certainly not very high being only an average—there are people in different grades even among the ryots."

Mr. A. Ranganatha Mudaliyar:—"Is it for a particular year or for a period of years?"

* Diwan Bahadur R. N. Arogyaswami Mudaliyar:—"It is for a period of years. In the East Godavari district, 151 ryots gave evidence and their debts on account of marriages amounted to Rs. 28,000 and this gives Rs. 190 per family on an average. In the West Godavari district returns were received for 348 ryots and the total figure amounted to Rs. 1,01,870 which gives Rs. 300 per family. I cannot call this extravagance. The extravagance of the ryot is only a fiction and it cannot be supported by any authority.

"The next point I must mention is this: what use have we of the Committee made of the figures regarding indebtedness? We have shown that the ryots are indebted to a certain degree. We have tried

to assess the amount of indebtedness per family. But we made absolutely no use of them in our schedules. I do not know what points the Government can make out of these things. We also have not even made any allowances for interest on these debts in our schedules of cultivation.

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"Then, Sir, about village budgets. We took eleven villages. The Settlement Officer tries to make out that we selected these villages on purpose. We did not do that. We happened to have complete details about these villages. About the rest we had not these results. The results are all in the report. I do not want to repeat them here. With reference to the remark that in the case of these villages 28,000 bags go out and 437 come in and that therefore there must be other villages from which the produce must come to these villages—well, this is not a fact. This is another fiction that I must explode. These villages that we are dealing with are in the paddy producing districts but it is a fact that there is a large quantity of rice imported to these districts. If you take the actual figures you will find that in spite of a large production very large quantities of Burma rice are being imported to these villages. It may be due to many reasons and I have not the time to explain the reasons. But it certainly does not follow that though these eleven villages send out paddy and get little in, there must be other villages where the conditions are reversed.

"Now, Sir, with reference to the water-rates, you will notice that the Board have given no reply to the points raised at the commencement of section 46, Volume I of the Committee's report on water-rates. We referred to the terms of the Irrigation Cess Act which empowers Government to levy a 'fit return'. Now, Sir, what is a fit return? Are not the existing rates giving a fit return? Is not the Government getting a revenue of 18 per cent on capital from delta people? Is that not a fit return? Is there any argument for increasing water-rates except on generally accepted and valid settlement principles? I cannot see, Sir, how under the terms of the Irrigation Cess Act Government could go on increasing even the water-rate when already the existing water-rates are giving ample returns. If on your settlement calculations larger profits accrue to the ryots and if you are able to prove that, then surely you have established the case for increasing the consolidated water rate. But, Sir, I have shown that there is no case for increasing the settlement rates. What is the case for increasing the water-rates? I must necessarily draw attention to the totally incorrect remarks of the Settlement Officer. At the bottom of page 47 of his note he says: 'In Divi, if the resettlement proposals are given effect to, the total revenue from the lands under the project will be enhanced only by 15·95 per cent as against an enhancement of 18·27 per cent in the Kistna delta where the consolidated water-rate system is in force' That is entirely wrong. Possibly it must be an inadvertent mistake. As a matter of fact, Sir, if the House will refer to paragraph 47, page 71 of the original settlement report at the end of the first paragraph this is what is written: 'Working on the best material available I estimate

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that instead of a dry revenue of Rs. 93,007, the project area will yield a land revenue of Rs. 1,07,842, an increase of Rs. 14,835 or 15·95 per cent'. It is obvious that the increase is due to the revision of dry classification alone. It is very different from saying that this is the total increase. As a matter of fact if the addition of enhanced water-rate is also put in, the net increase is much higher than the figure 15·95 which refers only to the increase of the dry classification. We suggested that the Settlement Officer adopted the proposals for revising the dry classification and putting in an enhanced water-rate, because by that method Government would get a much higher revenue than if they adopted a consolidated water-rate. Here is what the Settlement Officer writes at page 63 of the original settlement report: 'To meet the incalculable demands of future working, likely to prove, if anything, more expensive than in the past, it is advisable that the revenue should take the form of a settled assessment for the land *plus* a separate charge for the water. This charge should be fixed so as to cover the cost of the construction and working of the project, and might be varied to meet such necessity as may arise'. That means clearly this, that Government by this system recommended by the Settlement Officer not only gets more revenue but also reserves to itself the privilege of increasing the water-rates or reclassification of lands on a future date if it should be found necessary with reference to the cost of the machinery and so forth. That is exactly what the Settlement Officer states and so the Committee's statement was perfectly correct. And then, Sir, as a general justification of the resettlement rates the Settlement Officer quotes the case of Polavaram and Mettur projects. Polavaram is to pay a rate of Rs. 10-8-0 per acre. In Mettur they expect Rs. 15 per acre. God alone knows whether Government is going to recover these rates. I shall wait and see; I doubt very much whether they will be able to recover these rates particularly with reference to the fall in prices.

"Then I have only one or two remarks and I shall close. Government have said that the reference by the Committee to the excise revenue paid by the agricultural population is irrelevant. It is indirectly a taxation on land. We have only taken the income derived from the increase in the excise revenue during the last thirty years. Certainly it is an indirect taxation on land. There is no denying it. Certainly it is a very relevant matter. If Government gets an increased excise revenue of 36½ lakhs during the last resettlement period it is certainly a very relevant thing to state that it is a charge on land. How is agriculture going to pay for it?

"Then, the Settlement Officer does not also make any remarks about sanitation and public health. It is a very important thing. As the Agricultural Commission pointed out, it is a matter of vital importance. With your permission, Sir, I will only read the resolution of the All-India Conference of medical research workers concerning this very question of public health in villages.

'This conference believes that the average number of deaths resulting every year from preventible disease is about 5 to 6 millions, that the average number

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of days of loss of labour by each person in India from preventible disease is not less than a fortnight to three weeks in the year, that the percentage loss of efficiency of the average person in India from preventible malnutrition and disease is not less than 20 per cent and that the percentage of infants born in India who reach a wage-earning age is about 50, while it is quite possible to raise this percentage to 80 or 90.'

"The question of improving the sanitation and public health of these villages is a very important one affecting the economic condition of the villages.

"I need not go into details to give a summary of the main points dealt with by the Committee. It is contained in paragraph 388 and so I would not read them. I would only remark that the House will agree that not a single one of the recommendations of the Committee referred to in the summary has been controverted by the Government. The Settlement Officer's remarks do not affect a single one of the recommendations of the Committee. They remain unaffected.

"I would only make one more remark with reference to one of our recommendations which was that in respect of the land-cess the local bodies should be given the option of increasing the land-cess to 25 per cent on the land revenue. The Settlement Officer argues that this means an increase practically of 17 per cent of the existing rates. But the main point is this, Sir. It does not mean that the 25 per cent increase should be given effect to to-day. These local bodies are managed by the agricultural classes there. They know the conditions; they know what rates will be suitable. Simply because the statute fixes it at 25 per cent it does not mean that the 25 per cent limit should be given effect to immediately. It does not at all mean that. Whatever the final figure that is adopted may be, the fact remains that this will be decided by the local people and the cess collected will be spent locally and not spent all over the Presidency by being taken to the general revenues.

3-45 p.m.

"Now, Sir, I think the House will agree that I have met all the objections raised by the Special Settlement Officer, and I hope sincerely that I have not spoken in vain. Some of us still believe that it is possible to persuade Government, and if I had not that belief, I for one would not have taken all this trouble. I hope, Sir, the cry of the Members of this Council, particularly of those coming from the Northern Circars would not go in vain, and that Government would still bear in mind particularly the peasant's harassing conditions, remembering that the system of resettlement itself is antiquated, and remembering that it is absurd to argue from commutation prices based upon the average of a number of years of increasing prices, and to apply them and to devise rates for increased assessment in the years to come in the future. The system is entirely indefensible, and if it is persisted in in the present case, it will result in making worse the misery of the cultivating classes who have already been crying for a remedy all these years. In fact, Sir, while I am not unconscious of the fact that Government has been doing things here and there that have led to some improvement of the condition of the agricultural

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classes, it has failed to tackle the most radical questions, one of which is this question of land revenue assessment and of its periodical revision, of which the people have complained for years.

"The present system of assessment is not only not progressive, but it actually tends in the other direction. It is a burden pressing more and more on the less prosperous villagers. It is based too much on averages; it is based on average rainfall; it is based on average outturn; it is based on average prices. The necessity of going to the money-lender particularly in bad seasons is one of the chief causes of lower production. The recurring surveys and settlements preceded by prolonged and harassing enquiries, accompanied by numerous complaints and appeals are a serious disturbing factor in agricultural economy and always lead to great discontent. The Government has turned a deaf ear to the complaints not only of the people, but of the Members of this House, who have been bringing forward motions, questions, resolutions and legislation before this House. The legislation passed by this House was turned down by the Government of India. I hope, Sir, that the appeal of the people, the appeal of the Members of this House repeated again and again will not go in vain, and that, considering the acute conditions of distress in these deltas which have been increased enormously by the continued falling prices, Government would make up its mind at once to pass orders stopping these resettlements, so that the people at least may feel that they would not have to pay any higher rates in the way of assessment. The feeling in those villages with which you, Sir, are not unacquainted and with which we, the Members of the Committee, are fully conversant is bitter. Had Government given effect to the resettlement when the proposals first came in, the people would have immediately resorted to civil disobedience. That was their firm resolution. Had you given effect to these resettlement proposals, you would have created not one Bardoli but many. The people of these three districts would have risen to a man and refused to pay the rates. We felt convinced of the reaction these proposals would create, having come into contact with the people. It is a very serious matter, and when people take such a resolution, certainly the Government should pause and consider. Even now, Sir, I hope it is not too late. For I assure you that the people have not given up that resolve, and if civil disobedience is not found there to-day and if you want it to come, give effect to these resettlement proposals. The three districts will respond to your call as one man and go in for civil disobedience. That was the feeling, Sir, when we toured round and conversed with the people. I may be permitted even at this stage to utter a warning to the Government. We have found that you have absolutely no case for increasing the rates of assessment. By increasing the assessment, you will ruin the ryots, you will drive them to desperation. So, Sir, let me beg of the Government to follow a reasonable and a conciliatory policy and make the ryots happy and contented; and in turn they will feel grateful for the blessings of good government."

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* Mr. C. SATYANARAYANA CHOUDARI:—"Mr. President, Sir, my hon. Friend, Mr. Arogyaswami Mudaliyar, has been kind enough to make an appeal to the House on behalf of the Northern Circars. He has appealed to the House to hear the cry of the Northern Circars. I feel deeply thankful to him on behalf of my own district and on behalf of the other districts of the Northern Circars. But, at the same time, I want to remind the hon. Members of this House that this question of resettlement is a question involving a principle which directly and immediately affects the interests of the ryots all over this Presidency. To-day, it is the turn of Godavaris and Kistna, Sir, to-morrow it will be the turn of Guntur and Nellore districts, and the day after to-morrow of Malabar and then of Chingleput and other districts; and so on, Sir, it is a matter which raises the cry of not only the Northern Circars, but of the ryots of the whole Presidency. Therefore, every hon. Member of this House who sits here and represents the people ought to take a direct and personal and sympathetic interest in this matter.

"Now, Sir, this question of resettlement raises a constitutional issue, whether the Government is entitled to this revenue as a matter of rent or as a matter of tax. That is an issue, Sir, which is thorny, which is controversial, and which is highly constitutional in its nature, and I do not propose to discuss that aspect before this House to-day. But I want to say this much on that point, Sir, namely, that we are going to argue the question of resettlement in the districts of Godavari and Kistna on the basis of the assumption that the claim of the Government is well founded; whether that claim is a claim to the rent or whether it is only a claim to the tax, that is a matter which ought to be kept open to us to raise at any subsequent occasion. Now, Sir, assuming that the Government is entitled to a share in the produce raised by the ryot by his labour on his fields, what is the position of the Government to-day? The right of the Government is stated in paragraph 3 of the Proceedings of the Board of Revenue in this connexion and the claim is put forward in these terms:—

'The Board has to observe at the outset that the Committee is in error in its statement of the principles of settlement. These are correctly stated by Mr. Holdsworth in paragraph 3 of his report. The Board desires to emphasize the fact that the assessment which the Government levy is an assessment on the produce of the land. It has been the immemorial practice in India for the State to claim a certain definite share of the produce. Originally this share was actually paid in kind. Consequently the Government automatically benefited in the same proportion as the rise in prices. If this old sharing system had been still in force, there would have been no need for a periodical revision of the rates of assessment. It was only after the share of the produce was commuted into a money value that such periodic revisions of the rates became necessary."

The Board of Revenue goes on to say:—

'Normally, resettlement is not a fresh settlement of the Government share of the produce of the land but is merely a revision of the commuted money value of such share with reference to the variations in prices which have taken place subsequent to the introduction of the previous settlement.'

"Therefore, Sir, the case the Government as put forward in the Proceedings of the Board of Revenue comes to this, that according to the immemorial custom the Government has been charging the ryot

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one-half of his net produce, which on grounds of convenience at a particular stage the Government agreed to take their share of the produce in terms of money. Then the Board of Revenue goes on to say that this rate which is fixed between the Government and the people is liable to change. I am glad, Sir, the Board has stated their case in that way, because if the assessment that has been arrived at at a particular period is subject to periodical revision the change must be either way. If the change is beneficial to the Government, if there has been any rise in the quantity of the produce or in the prices of land, by all means the Government will be entitled to make out their case and claim their due. But if it is established by facts that it is the other way, that there is a good deal of difference in prices between the period at which the last settlement was made and the period at which the present settlement is made, if it is established by facts that the value of the crops, the prices of the crops, have fallen and therefore the income of the ryot is considerably lower than what it was at the last resettlement, then it is open to the ryot to say that the resettlement must be the other way, namely, for the reduction of the rates.

"Having outlined the case of the Government in that way, now I wish to say that there are certain principles which are laid down by the Government of India and by the Secretary of State, and which have got to be observed. I would just refer this House to those principles. I do not want to quote outside authorities, which the Government may refuse to accept or recognize. I would only try to convince them on their own showing, on the authority of the principles laid down by the Government themselves, that there is no case made out for any enhancement in the taxes. Now, Sir, I may just in this connexion refer to the despatch of the Government of India, dated 16th January 1902. With reference to this question, the Government of India in Resolution No. 1, dated 16th January 1902, wrote as follows:—

'It cannot but be their desire that assessment should be equitable in character and moderate in incidence, and that there should be left to the proprietor or to the cultivator of the soil, as the case may be, that margin of profit that will enable him to save in ordinary seasons and to meet the strain of exceptional misfortune.'

That is one principle that has been laid down by the Government of India. Then, Sir, there is another principle which is laid down by the Secretary of State for India in Council and which has got to be adhered to in the matter of resettlement, is from the orders of the Secretary of State for India in Council issued in 1885; the principle that has to be adduced is this: 'that a general and permanent rise in the prices of produce is one of the principal indications to measure this increment.' The order of the Secretary of State for India consists of two parts: the first part says: 'the State shall retain its claim to a share in the unearned increment of the value of land in a progessive country.'

"And then they lay down the basis that 'a general and permanent,'—the words 'general and permanent' are very important, Sir,—'rise in the prices of produce is one of the principal indications to

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measure this increment'. These are the two principles which are laid down by the Government themselves. I would very briefly show that these principles have not been followed by the Government themselves."

* The hon. the PRESIDENT:—"The hon. Member has got only one minute more."

* Mr. C. SATYANARAYANA CHOUDARI:—"I am only in the stage of introduction, Sir. (Laughter.) On this question of resettlement of East and West Godavari and Kistna, there is first of all the settlement scheme report prepared and published by the Settlement Department itself. According to it the following is the cost of production in the various years:—

	RS.
In 1903-04	62
,, 1913-14	263
,, 1919-20	399
,, 1920-21	478
,, 1921-22	410
,, 1922-23	364

"These are the figures given by the Settlement Department. Then the Settlement report goes on to say 'The Settlement Officer fixes the cultivation expenses which have got to be deducted before the Government can arrive at the net produce out of which alone they can claim their share of Rs. 35 per acre'. Now, Sir, the cultivation expenses of the Government in the farms maintained by them come to Rs. 50 to Rs. 60 per acre. That being the case, the figures furnished by the Government themselves with reference to their own cultivation expenses, would clearly disprove the statement that Rs. 35 is the accurate figure for cultivation expenses of ryots.

"The settlement report goes on to say again 'The increase in cultivation expenses is 150 per cent'. They then suggest an increase in the rates and give reasons. One of such reasons is that the commutation prices referred to above have risen from 100 to 119 per cent. That is one of the points on which they rely."

* The hon. the PRESIDENT:—"The hon. Member will please resume his seat.

"The original motion as well as the amendment is now for the consideration of the House."

* Mr. G. SRIRAMULU:—"Mr. President, Sir, my hon. Friend, Mr. Arogyaswami Mudaliyar, has already dealt with the subject in detail as he is well-posted with the facts being the President of the Economic Enquiry Committee. However, I should like to say a few words about the present economic condition of the three districts concerned, that is Kistna, and East and West Godavari. The price of agricultural produce has been on the decline for the last two years and there has also been failure of rains. Especially this year, the price of agricultural produce has gone down considerably. To

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add to this, there has been decrease in the rental value of lands also. Moreover, the failure of crops this year has been very marked on account of untimely rains. I do not say that there was no rain at all. There was rainfall, only the rains were useless for cultivation. There was no rainfall when there ought to be rain and there was excessive rain when there ought to be no rain. Consequently, the crops failed and almost all the fields yielded only a fraction of what they used to yield in previous years. The price of paddy has not, as a consequence, risen, but has fallen and it has fallen so low that a given measure of paddy now fetches only a fourth of what it used to fetch. Under the proposed resettlement, the data taken is that of the past years and the revenue to be paid is to be paid in future years. If this state of financial depression continues, there will be no hope at all for the realization of land revenue by the Government. The primary duty of the Government is to care more for the tax-paying capacity of the ryots. If that is to be done, the proposed resettlement should not be given effect to."

* Mr. K. Kesava Ramamurti :—" Sir, permit me to say a few words on this important motion now before the House. Sir, Mr. Holdsworth in his report said that the value of land had gone up two to five times and that commutation prices of the various agricultural produce had gone up by 100 to 119 per cent. The recommendations for the enhancement of the assessment are very unreliable and they have already been dealt at length by the previous speakers. It would seem that the prices had reached the level at which they stood in 1899 when the proposals for resettlement were brought forward. That means, again, that there is no necessity and no justification for any enhancement of the assessment now. The prices now obtaining at Cocanada are as follows (I am quoting from the English Chamber of Commerce returns) :—

'Per bag of 166 lb. paddy—

13th January 1930	Rs. 6 to Rs. 6-4-0.
10th February 1930	,, 6 to Rs. 6-2-0.
10th March 1930	,, 5-14-0.
7th April 1930	,, 6-2-0.
30th June 1930	,, 6-7-0.
28th July 1930	,, 6-12-0.
22nd September 1930	,, 6-4-0.
15th December 1930	,, 3-8-0.'

" Now the ruling price per bag of 166 lb. is Rs. 3-8-0. The price of 1,000 coconuts now is Rs. 15 whereas in previous years it was Rs. 40. For tobacco also the price has fallen considerably from Rs. 75 to Rs. 125 per candy to Rs. 35 and for cholam the price which was Rs. 160 per garisai has come down to Rs. 125. In this state of affairs any attempt at enhancing the rates will occasion much bitterness among the ryot population and there will be a lot of disaffection. Now is the time for creating peaceful conditions and not for further embittering the minds of the masses. I fear that, if any enhanced rates

are now imposed upon them, they will fall victims to the blandishments of the civil resisters and launch a no-tax campaign. So that in the interests of the country and the ryot population I request the Government not to give effect to the new settlement rates."

* Mr. D. V. NARASIMHASWAMI :—" Mr. President, I heartily associate myself with what has fallen from my hon. Friend, Mr. Arogyaswami Mudaliyar. As every one knows there has been a marked decline in the price of agricultural commodities and foodstuffs. As stated by the previous speaker the price of paddy has gone down by nearly 150 per cent. In such circumstances, I request the hon. the Revenue Member to come to the aid of the peasant population by accepting the modest amendment moved by my hon. Friend, Mr. Arogyaswami Mudaliyar."

Rao Sahib B. VENKATARAMAYYA :—" Mr. President, various aspects of the matter have been brought out by the Committee which dealt with the subject exhaustively. I take this opportunity of thanking the members of the Committee and its President for their labours and for the investigation they made and also for the accurate report they presented about the conditions prevailing in the districts in which resettlement is sought to be introduced. They have stated at the commencement of the report that the Resettlement Officer proceeded entirely on a one-sided view, in that he took into account only the rise in prices and not several important considerations. One of such important considerations is the economic condition of the people, their indebtedness and other difficulties. The Settlement Officer says that the Committee which dealt with the matter proceeded on the footing that they should take into account the difficulties of the individual ryots and not the general economic condition of the people. I think the view of the Settlement Officer is hardly correct. I see that this position of the Settlement Officer has been emphasized by the Board in its resolution passed over the head of the Enquiry Committee report. As I said, this is hardly correct, because the Committee itself in its concluding portion clearly refer to the fact that they referred to the conditions of the ryot population in general and not to the difficulties of individual ryots. The Board, however, at page 11 of the connected papers placed in our hands accept this principle, namely, that the essential conditions to be taken note of are the rise in price and the existing economic condition of the people. But curiously enough the Board in another place (paragraph 29) say that—

> 'The Committee has started with the fundamentally erroneous idea that the assessment should be regulated with reference to the economic condition of each individual ryot and not the productivity of the land.'

I will put side by side with this, what the Committee has stated on the question. At page 101 of their report, the Committee say:

> 'We hope that the Government is no way committed to the dictum, that it is the land that pays the assessment, and that it is not concerned with the well-being of the ryots paying the assessment. We believe that Government is and must be actuated by the most humane considerations, and that it cannot fail

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to attach due weight to the conditions of poverty, indebtedness and misery which affect such a large part of the agricultural population and determine their ability to bear the burden of present and future enhanced taxation.'

"It is thus clear from what I have read that the Special Settlement Officer and the Board have committed the mistake and misrepresented the Committee's view. But it will be found that the Committee's report says that they proceeded on the principle which is recognized by the Board itself, which is borne out by the statement made by the Board. There are some statements made by the Board which are worth quoting here. On page 7 of their proceedings they say 'The Committee's contention that the value of the net produce is insufficient to maintain the ryot would appear to be almost absurd to anyone who is in the least acquainted with the conditions of cultivation in the Kistna and Godavari deltas.' The reasons they give are these:—'If the facts were as stated, land values instead of increasing as they have done must inevitably have dropped; cultivation must have fallen in extent and the ryot population gone elsewhere in order to earn a living. The facts that population has increased and shows no sign of migration, that cultivation has extended and that land lease values have gone up enormously are in themselves a refutation of any such suggestion as the Committee puts forward.' I am afraid that the mere reading of this statement by any outsider will convince him that it is a prejudiced view that the Board takes on this question. To anyone who is acquainted with the conditions of the district it will be obvious that the ryots do not leave their places because, whatever burden is imposed upon them, it is their tendency to stick to their native homes patiently. Agriculture is the only occupation that is prevalent in this country and therefore the ryots cannot give up agriculture because there is no other avocation for them in this country, and they cannot give up their living. A larger area of land is being cultivated now because there is a corresponding increase in the population.

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"Then the Board says 'If he cannot raise money by any of those means he has to borrow on the security of his land or jewels. This in fact is and has been from time immemorial the ryot's peculiar method of banking. That he has to borrow is no proof at all that he is in a bad way. Indeed it is rather a proof that he is well off and that his credit stands high in the money-market. To argue as the Committee has done that increased indebtedness denotes increased poverty, is, the Board is convinced, the exact opposite of the truth.' The Board means to say that because the ryot is indebted he is more prosperous. I do not know whether anybody who is acquainted with the conditions of the ryot population in India would for one moment subscribe to this statement.

"Then there is one curious statement on page 48 and it reads thus: referring to increase in excise revenue, they say 'If any inference is to be drawn from the figures of excise revenue it is that they afford another indication of the fact that money is plentifully available for the

purpose of luxuries and suggest that the picture of agricultural distress painted by the Committee is over-coloured." I think no comment is necessary on this statement.

"Now, Sir, to anyone who is acquainted with the conditions of the district, whether you take the case of the delta ryots, of the upland ryots or the ryots in the lanka, it will be clear that everywhere there is distress. So much so whether a ryot is rich or poor, he is unable to pay even the existing kist. Of course, the first kist for this year has been paid and probably that can be used as an argument for the ryots being rich. But the real truth is they have pledged their jewels or paddy and have paid their first instalment of kist. They have not been able to sell their products because there is no purchaser. A bag of paddy which was selling at Rs. 6 or Rs. 9 now sells at Rs. 3 or Rs. 3-4-0, so that they are in a very awful plight. On the one side the Government press them for their dues and on the other hand the sowcar presses them for his dues. They are thus between the devil and the deep sea. That is the pitiable condition in which the ryots are placed. In these circumstances there is absolutely no ground whatsoever for the enhancement that is proposed.

"Well, Sir, as my hon. Friend who moved the resolution quoted from the address given to the House by His Excellency the Governor wherein it is observed agricultural depression affects the ryots intensely and there is the possibility of the ryots being put to greater difficulties, that possibility has now become a reality. Even if you do not take the other grounds into consideration, at least for this reason and this reason alone the resettlement proposals should not be given effect to.

"I do not wish to take up more time of this House especially as my hon. Friend Mr. Arogyaswami Mudaliyar has exhaustively dealt with the matter."

* Rai Sahib C. Kolanda Reddi:—" Mr. President, Sir, my hon. Friends who preceded me have been dealing with the scientific, historical and technical aspects of the subject. As for me, I shall confine myself to the view-point of the ryot, the layman and the man in the street. Now the point is, can the ryot in East and West Godavari, and Kistna districts stand any enhancement of assessment? That is the only question to be decided. Now to think of enhancement there must be some kind of profit, some kind of margin. For that we shall have to see what are the cultivation expenses and what are the prices that are ruling in the market. Now, Sir, as everybody here and elsewhere knows, there has been an unprecedented fall in prices and there has been an unprecedented slump in the market and an allround depression. Now, Sir, I have noted down some prices that obtain in the market to-day in Kistna district. I shall take a cursory survey of them. Dholl which was selling at $3\frac{1}{2}$ seers per rupee now sells at $6\frac{1}{2}$ seers. Gram which was selling at Rs. 10 up to Rs. 18 now sells at Rs. 6 to Rs. 6-12-0. The price of gram that rose up to Rs. 18 last

year and the year before last, is now at Rs. 6-12-0 per bag. Greengram sells at 17 seers per rupee, while it was selling at 13 seers previously. Paddy which is the common commodity of the deltaic parts is selling, my Friend was saying, at Rs. 3-8-0 per bag of 166 lb. at Cocanada. But in Gudivada and Kaikalur it sells at Rs. 3 and Rs. 2-12-0 per bag respectively. Time was when it was selling at about Rs. 7 or Rs. 8 per bag. Even in 1906 or 1907 paddy sold at Rs. 4 per bag. Even if we go back to earlier years, at least in our living memory, paddy did not sell at Rs. 3 or Rs. 2-8-0 per bag. Now groundnut which is a marketable commodity in the uplands or dry lands is so cheap that it is selling at about 12 annas per maund, so much so that many of the ryots are not digging it because it will not even pay the labour which is required for the purpose. The cultivation expenses do not at all bear any comparison to the prices ruling in the market. Cultivating expenses for paddy per acre comes to Rs. 35, whereas the quantity of paddy produced per acre, viz., ten bags sell at Rs. 30. So it will be seen that the price of paddy is Rs. 5 less than the cultivation expenses.

" Then with regard to dry lands or uplands, the cultivation expenses come to Rs. 13, while the produce itself sells at Rs. 10.

" You know, Mr. President, that Gudivada was supposed to be the garden of Kistna district being fed by the river Kistna. The ryot there is now hopelessly despondent and his condition is extremely miserable. As though the fall in prices were not enough there are something like three war dogs which are pursuing him. One is the Marwari money-lender, the second is the Imperial Bank and the third, the tax-gatherer. How miserable is the plight of the ryots of Gudivada and Kistna district as a whole can better be imagined than described. So instead of talking of enhancement of assessment, I think it is time that we spoke of any remission, partial at least and the payment of the balance of kist being spread over a larger period than that which obtains now.

" It is a truism to say that the ryot is the backbone of the Government and the very foundation upon which the Government stands. He has already been groaning under assessment which has been enhanced periodically. Now this one stroke of depression and slump broke the camel's back entirely. It is for the Government to consider whether, under such circumstances, it will be statesmanship or wisdom to drive despair into the heart of the ryot. I say it is impossible for him to meet any assessment, let alone enhancement of assessment. Under these circumstancs, I say the Government ought to pause, ought to consider whether it is time to press the ryot still further and to squeeze out the little life that is left in him. There is a saying that you should not cut the udder of the cow if you want to be milking it. You must keep the ryot contented; you must keep the ryot prosperous, if you want to keep the ryot loyal to the Government. You can do all this only in one way and that is by behaving humanly and humanely. If you fail to do that, I am afraid there will be a crisis. We do not know what the

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result will be. So it is statesmanship, it is wisdom, not to harass the ryot, not to worry him in his present predicament. The time would come when we would speak of remission, at least partial remission. The time would come when we have to speak of payment of the instalments of kists spread over a longer period. For the time being I think all the Members of the House will agree with me when I say that the ryot ought not to be troubled, ought not to be tantalized. He must be left alone to gather strength. Of course there will be piping times of peace and prosperity again. Then there would be plenty of time for the Government to think of making good what loss it might sustain at present or at least to have the consolation of making a larger collection than now. But so far as the present is concerned, I warn the Government, I request the Government, I entreat the Government, not to trouble the ryot by any enhancement in assessment.''

* Mr. Mahboob Ali Baig :—'' Mr. President, Sir, coming as I do from the Northern Circars, I feel I am bound to support the motion and the amendment. It is not only right, just but also wise that the Government should stay its hands now. Those of us who have got intimate knowledge of the agricultural conditions in those parts, have no hesitation in saying that the recommendations of the Economic Enquiry Committee are correct and that the criticisms made thereon by the Settlement Officer or the Revenue Board are not correct ; for we know that the Settlement Officer has based his conclusions on inadequate and insufficient data whereas the Economic Enquiry Committee has gone throughout the length and breadth of these three districts and has made investigations and has come to these conclusions. The Government cannot doubt those conclusions ; neither can any one of us doubt its conclusions, and its *bona fides*. Therefore my submission is that the conclusions of the Committee cannot, by one stroke of the pen, be said to be untrue or incorrect by the Revenue Board. The only conclusion we can draw is this. The observations of the Committee are right and it is the Revenue Board and the Settlement Officer who have no intimate knowledge of the matter, who did not go into the details of the case, who are wrong in their conclusions as my hon. Friend, Mr. Arogyaswami Mudaliyar, has pointed out. At present prices have gone low; there is world-wide depression; there is also local depression because the price of paddy is abnormally low. People who were in a prosperous condition previously, have now spent their money and are now at the mercy of the Marvaris. The ryot's produce does not fetch as large an income as it did previously and he is not able to pay his dues. The ryot is in that precarious condition ; I know intimately many agriculturists both Muslims and Hindus who are not only my clients but also my friends and they are now in a very precarious condition. The Government will be doing only bare justice, if it stays its hands now. Its conclusions are not correct. Secondly, prices are abnormally low ; thirdly the Government will be creating a peaceful atmosphere—which is most needed now—when we are awaiting the decisions of the Round Table Conference.''

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* Sriman M. G. Patnaik Mahasayo:—" Sir, I do not wish to cover the ground already traversed by previous speakers. Of course I subscribe to all that has been said. I only wish to say this much; assuming that the conclusions of the Settlement Officer are correct and that those of the Economic Enquiry Committee are not correct, what must the Government do now? That is the question. They say that certain deductions have been made and that certain results have been arrived at. I think that all these questions are irrelevant to the question at present, whether the assessment should be raised or not; because all these considerations go to show what data should be adopted in future years. Those are the major premises; all these 20 or 30 years the average was so much; therefore in the next 30 years also the same data may hold good. The Government has got a new situation to deal with. The average for the previous years indicates that the higher rate should be adopted; but the present low prices indicate that a very low rate should be adopted. I do not think the Government had ever to face such a situation. Therefore it is necessary that the Government should carefully deal with the question. I think this is an unprecedented situation with which the Government has to deal. In previous years there was either gradual rise or there was gradual fall. Now there has been a sudden fall. Is that fall going to be permanent or is it going to be temporary? The Government should consider this question first. The Government should not rush to the conclusion now that the rates of the Settlement Officer should be adopted. The first and the real question that should be investigated is whether the present fall is temporary or permanent. This is the general principle that has to be adopted with regard to all lands in the Presidency, whether they are in the ryotwari tracts or in the zamindari tracts or in the Malabar district or elsewhere. The general principle has to be laid down by the Government now. The Government have no precedent on which to act.

" Take the reverse case. Suppose the average was a low one. Then will the Government fix the low rate shown for the previous 20 or 30 years? They would not do so; they will say the main question in such cases is whether the land can bear the burden or not. All the factors referred to by the previous speakers and all the instructions laid down merely go to show that the question whether the land can bear the burden, has to be settled. Suppose a high rate is adopted; what will be the result? People cannot pay the assessment.

" Even the excise revenue comes from the ryots. This fact has already been referred to by previous speakers. I go further and say that the fiscal policy of the Government has been very oppressive to the ryots. Take, for instance, the indebtedness. No solution to that problem has been found, because the co-operative movement has not touched the fringe of the problem of the indebtedness of the ryots. They are still in the hands of the sowcars. Suppose the price of agricultural produce goes down; the price of land also goes down. Then what will be the result? The sowcar will press for the payment of the amount due to him, and he will take a larger extent of land. Suppose the price

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of an acre was Rs. 1,000 previously and that it is now Rs. 500. Instead of taking one acre, the sowcar will take now two acres. Not only that; the ryot has also to pay higher stamp duty. The sowcar may pay it in the first instance; ultimately it will fall on the shoulders of the poor and indebted ryot. All these facts go to show that the ryot is in a very bad and helpless state. I say therefore that the stamp duty also has to be revised in view of the fact that there has been a fall in prices. Therefore, even assuming that the conclusions of the Settlement Officer are correct, I think that the Government would not levy the rates proposed by him."

* The hon. Mr. A. Y. G. CAMPBELL:—" Mr. President, Sir, before dealing with the merits of the resolution as proposed to be amended by my hon. Friend, Mr. Arogyaswami Mudaliyar, I should like to clear up one point. The resolution, as amended, would run as follows:—' This Council recommends to the Government that, with reference to the recommendations of the Economic Enquiry Committee, the proposed resettlement in Kistna, and East and West Godavari districts, be not given effect to.' The hon. Members who have spoken have referred almost entirely to the question of the introduction of the enhanced rates of assessment. But I would point out once again to the House that a resettlement involves a great deal more than merely the alteration of the rates of assessment; in the case of these districts, there has been a certain amount of reclassification of land and of irrigation sources and a considerable amount of transfer of lands from dry to wet and so on. I take it that my hon. Friend does not wish that this work should be suspended or cancelled. All that he wishes, I take it, is that there should be no increase in the rates of assessment. I want to be clear. I wish to know from the hon. Member whether he wishes to have transference of lands from dry to wet, etc., cancelled.

4-45 p.m.

" I think hon. Members are to some extent aware of the principles on which resettlements are made, some of which have been explained by certain speakers this evening. I would like, however, if I may, to draw the attention of hon. Members again to the principles underlying resettlements so far as the revision of the rates of assessment is concerned. The Government order on the subject is as follows:—

' As a resettlement is based on the variations in prices, it is necessary to determine the extent to which such variations have taken place subsequent to the introduction of the expiring settlement. For this purpose, the commutation rates adopted for the staple grains at the expiring settlement should be compared with the value calculated for such of them as continue to be staple grains from the average of recorded prices during the twenty non-famine years immediately preceding the commencement of resettlement operations, after an appropriate deduction has been made for cartage and merchants' profits. In framing proposals for the revision of assessment, the Settlement Officer must bear in mind that there should be a substantial change in prices in order to justify the revision and that the rates cannot be raised to the full measure of a rise in prices because the allowance made for increased cost of living and of labour, stock and implements, as well as for promoting a higher standard of comfort should be liberal. Where the revision takes the form of a percentage enhancement of the previous rates, such enhancement shall not exceed 18¾ per cent of those rates. The Settlement Officer before recommending that a resettlement should take the form of a percentage variation of the existing rates should satisfy himself that the existing

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scheme of rates has proved reasonable in practice and equitable in its incidence during the currency of the expiring settlement and may propose such revision of the bases of the assessment, as he, for special reasons, considers necessary. For this purpose, he should carry out an examination of the economic condition of the holders of agricultural land in the tract with a view to instituting a comparison between their condition in the opening and in the closing years of the settlement period. From such comparison reliable inferences may be drawn as to how far the existing rates as a whole have or have not impeded economic development and to what extent they have proved relatively equitable in the various parts of the area under report. The information thus collected will also serve as a guide to the exact percentage enhancement which may reasonably be proposed and whether it should be uniform for the whole tract or not.'

"Those are the orders, Sir, under which the resettlement officers undertake an economic enquiry. I am not prepared to admit that in this case the enquiries made by the Settlement Officers have been inadequate. We have before us the Settlement Officer's original report and the report made after full enquiries by the Economic Enquiry Committee presided over by my hon. Friend Mr. Arogyaswami Mudaliyar. We have also got the remarks made upon that report by the expert officers of Government, viz., the Special Settlement Officer, the Chief Engineer for Irrigation, the Director of Agriculture, and finally we have also a summary made by the Board of Revenue. From a perusal of those documents, it seems to me that the proposals of the Settlement Officer and of the Board of Revenue are justified. I am not now referring to the present crisis; I shall come to that later.

"My friend, Mr. Arogyaswami Mudaliyar, has replied in great detail to the remarks made by the Special Settlement Officer on the report of the Economic Enquiry Committee. I do not propose to take up the time of the House now by following him in every detail. It seems to me that there have been sufficient arguments and replies on both sides. He referred to such matters as vicissitudes of the season and rainfall. As regards vicissitudes of the season, the usual allowance was made at the original settlement of some 15 or 20 per cent on that account; and allowances have also been made for the various matters which my hon. Friend has referred to."

Diwan Bahadur R. N. Arogyaswami Mudaliyar:—"Ten per cent."

* The hon. Mr. A. Y. G. Campbell:—"Very well, Sir. Since the time of the last settlement, much has been done to improve the position of the ryot; for instance, communications have been very much improved. The mileage of maintained roads increased in the period 1906—1926 by 30 per cent in the Kistna and West Godavari districts, and by 52 per cent in the East Godavari district; new railways have been opened through these districts; these measures have materially reduced the cost of taking produce to the market. The statement furnished by the Chief Engineer for Irrigation which is appended to the Board of Revenue's report, shows that a considerable amount of work has been done in the way of improving drainage and irrigation channels. I need not go into details now for I think the House is well aware of the fact that a great deal has been done since the last settlement and that I hope that such work will be continued in the future as far as our funds permit.

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" My hon. Friend Mr. Arogyaswami Mudaliyar made certain definite suggestions, e.g., with regard to the discharge of more water into the canals at the head sluice at Bezwada. He also criticized as inadequate the tentative section of certain drainage channels, and suggested that the designs should be reconsidered, and expressed doubts as to the sufficiency of the arrangements made or contemplated for the disposal of floods due to the Yerracalva and the Rallamadugu. I shall be glad to have these matters looked into and to see whether anything more can and should be done. Of course, all these measures necessarily cost money, and the Government is under the necessity of raising taxes to carry them out, in addition to providing for education, public health and so on which the country quite rightly demands. Well, we can all sympathize with those who wish to see a reduction in the rates of the taxes which they have to pay. That is, of course, a very natural feeling; but the Government have to see that the taxes which are collected are distributed as equitably as possible throughout the whole province. Now, Sir, this resettlement has been carried out on the same basis as other resettlements. I am quite aware that many hon. Members do not agree with the principles or the methods on which this resettlement has been carried out. But this is not an opportune moment to make any radical changes in this direction. There may perhaps be important changes in the form of Government before many years elapse, and it is therefore better that it should be left to the Ministers under the new form of Government to devise new methods of land revenue settlement rather than we should attempt to give any new scheme through this House at this time. Meantime, it is our duty to carry on the Government in this respect on the lines already established, and to see that the principles that are now in force are applied equitably over the whole province. We accordingly have come to the conclusion that, on the principles of resettlement now adopted, the new rates as proposed by the Settlement Officers are justified and correct.

" Reference has been made, Sir, by several hon. Members to the fact that at the present moment, prices have fallen very much, and that prices are below the commutation rates which have been worked out by the Settlement Officer. Hon. Members may remember that the commutation rate at the last settlement was Rs. 118; if we increase that by $18\frac{3}{4}$ per cent, the result is a rate of only Rs. 140 and not Rs. 255 which is the commutation price worked out by the Settlement Officer for the Godavaris. Whatever that may be, it is possible that prices may fall even below this price of Rs. 140, and it may be urged that on that account there should be some remission if the new rates are to be brought into force. I would however contend that whatever measures are to be adopted for the relief in these districts, of ryots and others affected by the economic depression, they should be applied equally to the whole province. These new rates which, but for the appointment of the Enquiry Committee, would have been brought into force in the year 1928, i.e., three years ago, have not still been brought into force. We cannot, of course, bring them into force during the current fasli; we may perhaps bring them into force in the next fasli. We propose,

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having reference to the present economic depression, to appoint a committee of officials and non-officials to study the position and to make recommendations to the Government as to whether Government should take any measures in connexion with it and if so what measures. It is possible they may consider various proposals, amongst them being perhaps the question of a temporary reduction of assessment, either generally for the whole province or for particular districts or particular classes of lands or for particular crops; they may also consider facilities to be offered by the co-operative marketing of goods or by making advances to ryots, either direct or through co-operative banks. Whatever may be decided, it seems to me that we should not give to these three districts an advantage of about 20 per cent over the remaining districts of the Presidency, especially those districts where the resettlement has been recently introduced, such as Bellary, Anantapur, Tanjore and South Arcot. The proper course will be for these new rates to be notified; but whether they should be actually enforced next year or not will be a matter for consideration by the new committee which will surely consider all questions connected with the present economic depression."

* The hon. the PRESIDENT:—"I take it that the House is ready for a vote.

"I will first put the amendment to the vote of the House. The question is: 5 p.m.

'That for all the words after the word "Government" in line 1 *substitute* the words "that, with reference to the recommendations of the Economic Enquiry Committee, the proposed resettlement in Kistna and East and West Godavari districts, be not given effect to.'"

The amendment was carried.

* The hon. the PRESIDENT:—"I will now put the original motion, as amended, to the vote of the House. The question is:

'That this Council recommends to the Government that, with reference to the recommendations of the Economic Enquiry Committee, the proposed resettlement in Kistna, and East and West Godavari districts, be not given effect to.'"

The motion was carried.

V.—ELECTION OF TWO MEMBERS TO THE ADVISORY COMMITTEE OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY COMPANY.

* The hon. the PRESIDENT:—"I have to announce to the House that, as the result of election held on the 29th January 1931, Rao Sahib C. Jayaram Nayudu and Mr. A. Harischandrudu have been declared duly elected as members of the Advisory Committee of the Madras and Southern Mahratta Railway Company."

The House then adjourned to meet again at 11 a.m. the next day.

R. V. KRISHNA AYYAR,
Secretary to the Legislative Council.